

PCT

WORLD INTELLECTUAL PROPERTY ORGANIZATION
International Bureau



INTERNATIONAL APPLICATION PUBLISHED UNDER THE PATENT COOPERATION TREATY (PCT)

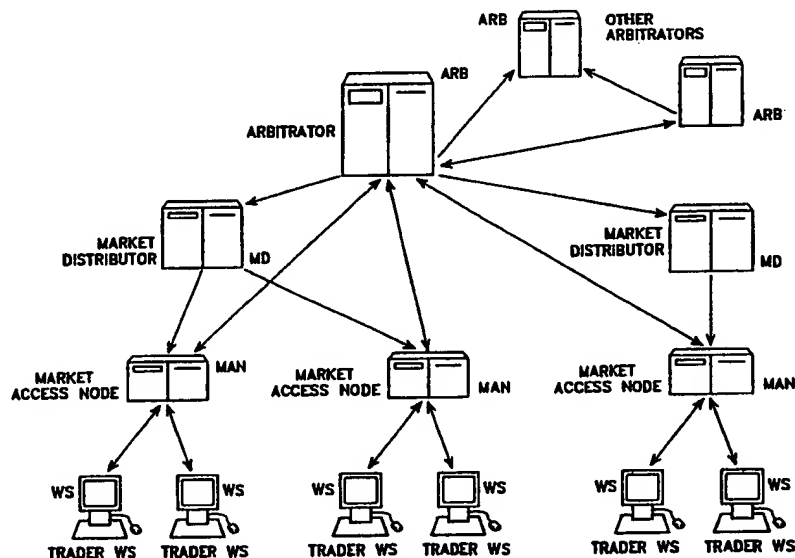
(51) International Patent Classification ⁵ : G06F 15/24	A1	(11) International Publication Number: WO 93/15467 (43) International Publication Date: 5 August 1993 (05.08.93)
--	-----------	---

(21) International Application Number: PCT/US93/00916
(22) International Filing Date: 2 February 1993 (02.02.93)
(30) Priority data:
07/830,408 3 February 1992 (03.02.92) US
(60) Parent Application or Grant
(63) Related by Continuation
US 07/830,408 (CON)
Filed on 3 February 1992 (03.02.92)
(71) Applicant (for all designated States except US): FOREIGN
EXCHANGE TRANSACTION SERVICES, INC.
[US/US]; c/o Quotron Foreign Exchange, 1 Court
Square, 11th Floor, Long Island City, NY 11120 (US).

(72) Inventors; and
(75) Inventors/Applicants (for US only) : TOGHER, Michael
[US/US]; 333 Rector Place, Apt. 10-K, New York City,
NY 10280 (US). DUNNE, Michael, F. [US/US]; 603
Monroe Street, Boonton, NJ 07005 (US). HARTHEI-
MER, Richard [US/US]; 29 Morain Road, Morris
Plains, NJ 07950 (US).
(74) Agent: MAY, John; Robbins, Dalgarn, Berliner & Carson,
201 N. Figueroa Street, 5th Floor, Los Angeles, CA
90012 (US).
(81) Designated States: AU, CA, JP, US, European patent (AT,
BE, CH, DE, DK, ES, FR, GB, GR, IE, IT, LU, MC,
NL, PT, SE).

Published
With international search report.

(54) Title: CREDIT MANAGEMENT FOR ELECTRONIC BROKERAGE SYSTEM



(57) Abstract

An anonymous trading system (Fig. 1) identifies the best bids and offers (QuoteSubmit, Fig. 3) from those counterparties (WS A1a1) with which each party (WS A1b1, WS A1b2, ... WS A2a2) is currently eligible to deal, while maintaining the anonymity of the potential counterparty and the confidentiality of any specific credit limitations imposed by the anonymous potential counterparty. To that end, each bid or offer (QuoteSubmit, Fig. 3) for a particular type of financial instrument is prescreened by the system for compatibility with limited credit information (for example, a one bit flag indicating whether a predetermined limit has already been exceeded) and an anonymous "Dealable" price (24, 26) is calculated for each of the traders (WS A1b, ... WS A2a) dealing with that particular financial instrument.

FOR THE PURPOSES OF INFORMATION ONLY

Codes used to identify States party to the PCT on the front pages of pamphlets publishing international applications under the PCT.

AT	Austria	FR	France	MR	Mauritania
AU	Australia	GA	Gabon	MW	Malawi
BB	Barbados	GB	United Kingdom	NL	Netherlands
BE	Belgium	GN	Guinea	NO	Norway
BF	Burkina Faso	GR	Greece	NZ	New Zealand
BG	Bulgaria	HU	Hungary	PL	Poland
BJ	Benin	IE	Ireland	PT	Portugal
BR	Brazil	IT	Italy	RO	Romania
CA	Canada	JP	Japan	RU	Russian Federation
CF	Central African Republic	KP	Democratic People's Republic of Korea	SD	Sudan
CG	Congo	KR	Republic of Korea	SE	Sweden
CH	Switzerland	KZ	Kazakhstan	SK	Slovak Republic
CI	Côte d'Ivoire	LI	Liechtenstein	SN	Senegal
CM	Cameroon	LK	Sri Lanka	SU	Soviet Union
CS	Czechoslovakia	LU	Luxembourg	TD	Chad
CZ	Czech Republic	MC	Monaco	TG	Togo
DE	Germany	MG	Madagascar	UA	Ukraine
DK	Denmark	ML	Mali	US	United States of America
ES	Spain	MN	Mongolia	VN	Viet Nam
FI	Finland				

CREDIT MANAGEMENT FOR ELECTRONIC BROKERAGE SYSTEM

2

TECHNICAL FIELD

4 The present invention relates generally to a electronic brokerage
6 system having a communication network connecting traders dealing in
8 financial instruments, and more particularly to a computerized system for
 distributing anonymous price quotes on a selective basis in accordance with
 previously established credit limits.

10 **BACKGROUND ART**

 Reuters' published European patent applications EP 399 850,
12 EP 407 026, and EP 411 748 disclose an automated matching system for
 anonymous trading of foreign currencies (or other financial instruments) in
14 which a single host computer maintains a central data base consisting of all
 the trading instruments available for trade, credit information, and the
16 various bids and offers that are present throughout the system. The host
 computer uses the information in its central data base to match active bids
18 and offers (as well as executing any transitory "hit bid" and "take offer"
 transactions) based on matching criteria which include the gross
20 counterparty credit limit between counterparties to a potential matching
 transaction, price, and available quantity. To that end, each client site
22 establishes and may subsequently vary or reset a credit limit for each
 possible counterparty, which is used by the host computer to establish the
24 gross counterparty credit limit for each possible pair of parties and which is
 equal to the minimum of the remaining credit (initial credit limit less any
26 applicable transactions that have already been executed) from the first party
 to the second party and from the second party to the first party. The host
28 computer blocks completion of an otherwise eligible matching transaction
 between a given pair of potential counterparties when the transaction has
30 an associated value in excess of the applicable gross credit limit. In that
 system, the various client site computers (keystations) merely maintain and
32 display a restricted subset of the information available at the central

computer, such as a predetermined number of the best bids and offers, and
communicate credit and other transaction oriented information to the host
computer for execution. However, in an attempt to preserve the anonymity
of the parties, the client sites do not have access to any credit limits set by
their possible counterparties, or even to the identification of any other party
to a particular transaction until after a transaction has been completed.

Thus, in the known prior art system, confidential counterparty credit
limit data is maintained in real time and utilized as part of the trade matching
process by a central host computer. As a consequence, each client site has
no way to determine, prior to committing to buy or sell at a displayed price
from one or more anonymous counterparties, whether it is in fact eligible to
respond to any of the bids or offers currently being displayed. The client
site is connected to the central host computer by telecommunication lines;
the host computer is not under the direct control of the party providing the
confidential credit limit data and thus provides potential opportunities for
unauthorized access to the credit information, even though the host
computer does not utilize the credit information until a match has been
found between a Buyer and a Seller.

Consequently, until he attempts to execute a trade at the best price
currently displayed on his screen, a trader using the prior art anonymous
matching system has no way of knowing whether he has credit with, and
is willing to extend credit to, the anonymous counterparty offering (bidding)
the best price currently displayed on his screen and thus whether any
attempt to buy or sell at the displayed price will be subsequently invalidated
by the system for lack of such credit.

SUMMARY OF THE INVENTION

It is an overall objective of the present invention to provide an
anonymous trading system which can identify the best bids and offers from
those counterparties with which each client site is currently eligible to deal,
while maintaining the anonymity of the potential counterparty and the
confidentiality of any specific credit limitations imposed by the anonymous

potential counterparty.

2 To that end, each client site preferably provides the system with only
4 limited credit information for each potential counterparty (for example, a one
6 bit flag indicating whether a predetermined limit has already been exceeded)
8 and each bid or offer for a particular type of financial instrument is
 preferably prescreened by the system for compatibility with that limited
 credit information before calculating an anonymous "Dealable" price for
 presentation to any of the traders dealing with that particular financial
 instrument.

10 In a presently preferred embodiment, the prescreening is a simple
12 check to determine whether any credit remains between the two possible
14 counterparties to the potential transaction, and thus may be performed using
 a simple yes/no Preauthorization Matrix before any bid or offer is transmitted
 to a particular client site.

16 In accordance with a preferred embodiment, such Preauthorization
18 Matrices are maintained at each of several regional nodes ("distribution
20 nodes") of a distributed processing communication network, with each such
 distribution node being connected by corresponding individual permanent
 links of the network to those client sites ("access nodes") for which it is
 responsible for distributing market information including customized
 "Dealable" bid and offer prices in addition to global "Best" prices.

22 More particularly, in the preferred embodiment, the sensitive credit
24 limit data indicating how much credit a particular client site is willing to
26 extend to each possible counterparty is maintained only at an access node
 associated only with that particular client, and only a simple yes/no
 indication of whether the entity (for example, a trader, a trading floor, or a
28 bank) associated with that particular access node is willing to transact
 business with a particular counterparty is transmitted to the other nodes of
 the communication network.

30 To further limit the data received and processed by each of the
32 relevant regional node computers, (ie, the distribution nodes closest to the
 particular site and/or closest to the particular counterparty), only changes in

2 the credit state between a particular access node and a particular
counterparty (ie, credit is no longer available or credit is now available) are
transmitted to the distribution nodes, and any credit state information only
4 relevant to transactions between two client sites both associated with other
distribution nodes, may be altogether ignored.

6 In a preferred embodiment of the system as currently contemplated,
if either of the two applicable limits has not already been exceeded between
8 a particular pair of counterparties, the system displays the entire bid or offer
as a "Dealable" transaction, but permits each client site to block any
10 above-limit portion of any resultant buy or sell transaction during a
subsequent deal execution/verification process. Alternatively, possibly at
12 the option of the party by or for whom the low limit has been set, the entire
transaction could be executed, or the entire transaction could be blocked.
14 As a second alternative, the Preauthorization Matrix could indicate whether
sufficient credit remained to execute a predetermined "standard" deal
16 amount in addition to, or instead of, a mere indication as to whether any
credit from a particular potential counterparty had already been used up. In
18 such an alternate embodiment it might also be possible to display to each
trader two "Dealable" prices: one at which at least the predetermined
20 "standard" amount is available, and a second price at which only a "Small"
amount may be available.

22 As currently contemplated, each of the regional nodes transmits both
a Best current price (for which a predetermined minimum quantity is
24 available independent of any credit constraints) and a best Dealable price
(for which at least limited credit is presumably available on a bilateral basis
26 with at least one of the counterparties making the bid or offer), as well as
a "Small" indicator that may indicate a thin potential market in which that
28 predetermined minimum quantity is not available at any price from any
counterparty with whom the trader is eligible to deal, but nevertheless a
30 smaller quantity is available from one or more of such eligible counterparties.
In determining whether such a predetermined minimum quantity is available,
32 the system may consider composite deals from more than one Maker or at

more than one price, in which case the displayed price is preferably the least advantageous price included in the best such composite deal. In an alternative embodiment, the system does not take into account such composite deals when displaying a price, but still identifies the oldest quote at the best price as a potential match, thereby giving the traders the benefit of any price advantages for smaller sizes.

In accordance with another aspect of the preferred embodiment, at least the first Maker having an open quote that is displayable as the "Best Dealable" or "Regular Dealable" at any of the other trading floors is automatically alerted that his bid (offer) quotation is the Best price available to at least one potential counterparty with whom mutual credit exists, and thus could be hit (taken) at any time. Similarly, at least if the quoter's bid (offer) quote is not currently the first Best quote at at least one trading floor and is thus subject to immediately being hit (taken) by a trader at that trading floor, he is preferably also alerted if his quote is "joined" (ie, equal to in price, but later in time) to such a "Best Dealable" or "Regular Dealable" price from another trading floor.

Preferably, in accordance with another aspect of the invention, the system also determines whether a Quote has been "bettered"; that is to say, no longer qualifies as a Dealable quote (or joined to such a quote) at at least one potential counterparty. In that case, at the trader's option, the system will automatically cancel such a bettered quote.

In accordance with yet another aspect of the invention, the displayed Dealable price (unless accompanied by the "Small" indicator) is valid for at least a predetermined minimum quantity (which, as noted previously, may be a composite of small sizes from more than one source, or which always reflects a regular size from only one source, depending on system design tradeoffs and/or the trader preferences) and only prices and not quantities are displayed. However, assuming that the Best Dealable price for a regular quantity is greater than the best Small price, each trader may optionally select which of the two such Dealable prices is displayed.

When a "buy" or "sell" is made for a quantity in excess of the

2 cumulative applicable credit limits associated with the counterparties having
open quotes equal to or better than the displayed price and thus the
4 completed transaction is for a cumulative quantity smaller than desired by
the trader, the trader preferably then has the option of "working the
6 balance" (in which the system automatically generates a bid/offer for the
difference).

8 In accordance with yet another aspect of the invention, changes in
the Dealable price information and specifics of any subsequent transactions
initiated by the trader are optionally vocalized electronically by the trader's
10 terminal and provided to the trader in audible form, together with succinct
details of any subsequent transactions. For example: Whenever there is a
12 change in the Dealable "Buy" price, the least significant digits of that price
are electronically converted to text which in turn is converted to digital
14 speech using conventional speech synthesis circuitry.

16 The above description refers to the processing and distribution of data
as though they were instantaneous processes; it will be appreciated by
those skilled in the art that some delay is inherent in the type of system
18 described, and that as a consequence, the information available at a
particular processing node does not always reflect the most current
20 information available anywhere in the system. However, at least in a
preferred embodiment, any such delays in the display of Dealable price
22 information may be kept within acceptable limits by transmitting only
changes over the communication network, by using several processing
24 nodes operating in parallel to compute the Dealable price information for
different Trading Floors and/or different currencies, and by providing
26 dedicated communication links between each processing node and its
associated Trading Floors.

28

BRIEF DESCRIPTION OF THE DRAWINGS

30 Other objects and features of the present invention will be apparent
from the following description of a presently preferred embodiment taken in
32 connection with the accompanying drawings, in which:

Fig 1 is an overview of the Communication Network and the various
workstations and processing nodes associated therewith;
Fig 2 depicts the trader's Buy/Sell display;
Fig 3 depicts the trader's Quote display;
Fig 4 depicts the Trader Profile Display;
Fig 5 shows the flow of messages in the communication network which are
used to generate and distribute Dealable price information to each
individual trader;
FIG 6 depicts a Preauthorization Matrix; and
Fig 7 is a functional flowchart showing how the Dealable price is
computed.

12

DETAILED DESCRIPTION OF THE PREFERRED EMBODIMENT

14 In the described embodiment, the trading system is an electronic
brokerage system having a communication network for facilitating the
16 buying and selling of large blocks of foreign currency by traders each
associated with his own Workstation ("WS") located at a Trading Floor of
18 a subscriber bank ("client site"). As shown in Fig 1, each client site has its
dedicated client site computer ("Market Access Node", or "MAN") under the
20 control of a Floor Administrator, which maintains transaction records, credit
limits, and other confidential information originating with its associated
22 Trading Floor. The WS's and the MAN associated with each Trading Floor
are connected via a conventional self-repairing DEC VAX network to a
24 nearby distribution node ("Market Distributor" or "MD") computer, which
typically analyzes and distributes current market data by means of dedicated
26 permanent communication links to one or more associated MAN's in a
particular city (or other local region), and which may also provide
28 administrative functions for the communication network. Although not
considered critical to the present invention, a group of MD's is preferably
30 supplemented by a common trading region processing node ("Arbitrator
Node" or "ARB"), with the ARB performing those functions (such as
32 identifying potential matches between Buyers and Sellers, and other aspects

of the "Deal Matching" process that require coordination with more than one client site) which make the most efficient use of the communication network if done centrally or regionally, while the MD's perform those functions (such as generation of separate Dealable price information for each individual client site) which are readily implemented in parallel in a distributed processing network and which make most efficient use of the communication if done locally or in close proximity to the individual client sites.

In that regard, it is preferable to have more than one ARB, with each ARB having primary responsibility for trades initiated by Market Makers in the ARB's own trading region, and being connected to all the MAN's and MD's of that Trading Region as well as to the other ARB's in other trading regions by permanent dedicated links of the communication network. In the majority of deals, it is anticipated that both the Maker and the Taker will be within the same Trading Region and thus will be directly linked to the same ARB which can therefore identify a potential match and coordinate its final execution without any communication with the other ARB's; at the same time, the other ARB's can simultaneously be processing deals related to other traders in other regions. Connecting the various ARB's with one another by dedicated permanent communication links not only facilitates deals with a Taker in a remote trading region who does not normally have any direct link to the Maker's ARB, but also provides an efficient communication network for broadcasting price quotes to all the traders in other trading regions. Preferably, the various MD's, MAN's and ARB's are each provided with a local backup already connected to the communication network in accordance with the teachings of the commonly assigned US patent application entitled "ACTIVATION OF A DORMANT SIBLING COMPUTER IN A COMMUNICATION NETWORK" and filed 9 Nov 1990 under serial number 07/612,0451; however, it is also possible, albeit wasteful of communication resources, to establish temporary communication links between the MAN's and MD's of one trading area and an ARB in a remote trading area, so that the remote ARB can function as an emergency backup for the local ARB. In any event, the system is preferably provided

2 with a self-test and re-initialization capability to detect discrepancies
between the local data bases maintained at each of the local (MD) and
4 regional (ARB) processing nodes, and to regenerate missing or questionable
data from corresponding data stored at other nodes.

6 Whether the communication links between nodes are permanent
(maintained indefinitely between two network components) or temporary
(established dynamically for a short period of time) they are preferably
8 "logical links" which have the property that messages sent in a certain order
over the same logical link are guaranteed to reach their destination in the
10 same order. Moreover, the communication network is preferably provided
with sufficient error detection, error correction, and network self-repair
12 capability to guarantee that messages sent via these logical links are error
free.

14 In summary, each MAN is connected to other MAN's by a robust
communication network which connects the various Trading Floors and
16 which supplements the MAN's with a number of processing nodes
(preferably in the form of MD's and ARB's) to facilitate the distribution of
18 price quotations and other market data and to execute transactions by
matching eligible Market Makers with eligible Buyers and Sellers and by
20 monitoring the transactions until they have been completed or aborted, with
the MAN's being responsible for Trading Floor specific tasks such as logging
22 the completed transaction and updating the credit limit that was previously
available to the counterparty Trading Floor.

24 The structure and function of the trader WS's, MAN's, MD's, and
ARB's will now be described in detail, with particular emphasis on how they
26 cooperate to distribute price quotes (bids and offers) from a Market Maker
to potential Takers throughout the system. In the prior art, such quotes
28 were made available to the individual traders merely in the form of one or
more public best prices for each currency pair (or other financial instrument
30 type) then being offered by any Market Maker, without regard for any
confidential credit restrictions imposed by the Maker or by the potential
32 Taker that may prevent any deal being consummated. However, in

accordance with the present invention, each trader receives a private
2 Dealable price, which the system has prescreened for the absence of any
credit restrictions that would prevent the trader on whose WS the Dealable
4 price is displayed from dealing with an anonymous Market Maker from
whom the displayed price originates.

6 As shown in FIGS 2 through 4, each WS supports a single trader
trading in a single currency pair, and its display thus provides one or two
8 panels containing only information which a typical trader would consider
essential to trading in that currency pair by means of an anonymous
10 brokerage system. However, the blank portion of the WS display could
obviously be used for other data related to another currency pair and/or
12 another type of transaction. Furthermore, the displayed panel could be a
window within a larger display that also displays data from other information
14 distribution and transaction processing systems.

Fig 2 shows the trader's Buy/Sell display panel 10 which provides the
16 primary interface between the electronic brokerage system and the individual
traders. At the top of the display appears the currency pair 12 (as shown,
18 the Base Currency is United States dollars, Local Currency is German
marks), and at the top right, the "Value Date" 14 (the date on which any
20 resultant trade is scheduled for payment). The next line comprises (from left
to right) : the "Figure" (the most significant three or four digits) 16 of the
22 "Sell" ("bid") price, conventionally expressed in units of Local Currency (eg,
DM 1.72) per single unit of Base Currency (eg, US\$1.00); two additional
24 digits 18,20 (commonly referred to as "Pips") which respectively reflect the
remaining two or three least significant digits of the displayed "Best" bid and
26 offer prices (ie, the best price at which at least one anonymous Market
Maker is willing to buy the Local Currency, and the best price at which at
28 least one anonymous Market Maker is willing to sell the Local Currency); and
the "Figure" 22 of the "Best" offer price.

30 A Market Maker will always want to purchase a commodity at a lower
price than the price at which he is willing to sell the same commodity and
32 his bid price will thus be less than his offer price. Moreover, the trading

2 system is preferably able to "automatch" a bid price from one Maker with
an equal or lower offer price from another Maker, assuming that the two
4 Makers have sufficient credit with each other. Accordingly, the displayed
"Best price" 18,20 will normally reflect a price spread in which the offer
6 price is equal to or higher than the bid price; however at times it may reflect
an "Arbitrage Opportunity" in which a third party having credit with the two
8 Makers is able to Buy at a lower offer price from one Maker and sell at a
higher bid price to the other Maker.

10 Furthermore, there is no requirement that a Market Maker must
always quote both a bid price and an offer price for the same quantity of the
Local Currency, or that if a bid (or offer) price is accepted by a Seller (or
12 Buyer), any corresponding offer (or bid) price from that Maker will be
(preferably at the trader's option) automatically withdrawn. Thus it is also
14 possible that an offer price but no bid price (or vice versa) will be displayed
as the Best price 18,20 at the top of the display.

16 As presently contemplated, the displayed Best bid and offer prices
18 18,20 are each valid for at least a predetermined quantity of currency (for
example five million US dollars) from a single source. Since such a quantity
may be available at the displayed price in a composite transaction involving
20 more than one Maker and more than one price, it is possible that at least a
portion of the transaction could be executed at a better price than the
22 displayed Best price 18,20.

24 In accordance with the invention, a "Dealable" bid and/or offer price
is derived only from those bids or offers from other Trading Floors which
have been prescreened for at least some nominal level of remaining credit
26 from the potential Maker to the potential Taker and vice versa, and at least
the "Pips" 24,26 portion of the Dealable price is prominently displayed or
28 otherwise communicated to the potential Taker.

30 In the illustrated example, the associated Taker (and any other
USD/DEM traders on his Trading Floor) is thus eligible to Sell German marks
("DEM") at the bid rate of 1.7210 marks per dollar ("USD"), or to Buy at the
32 offer rate of 1.7217 marks per dollar, and the system has already verified

that the displayed Dealable price 24,26 is currently available from one or more anonymous Makers with whom the trader is currently still eligible to deal, and that those eligible Makers are willing (either collectively or individually, depending on the trader preferences and/or design tradeoffs mentioned previously) to sell (or buy) at least the same predetermined minimum quantity of the particular Local Currency involved as was used to determine the displayed Best price 18,20. Thus, a "regular" displayed Dealable price 24,26 will never be better than the displayed Best price 18,20; if worse than the Best price 18,20, this is an indication that the trader is barred by credit limitations from obtaining the best price that is then theoretically available. Indeed, because credit is established bilaterally, it is possible that the Maker (or Makers) behind the Best price have extended credit only to Trading Floors who currently have not extended any credit to those particular Makers, and thus that none of the traders at any of the client sites will see a Dealable price equal to the displayed Best price.

The foregoing implicitly assumes that the Best price 18, 20 and the Dealable price 24,26 are sufficiently close that the Figures 16, 22 are unaffected. If that is not the case, it is preferable that the displayed Figures correspond to the corresponding most significant digits of the displayed Dealable prices; if the "Pips" of the Best price are worse than the corresponding least significant digits of a displayed Dealable price, it will be apparent that the corresponding Figure of the Dealable price should be incremented or decremented by at least one digit to obtain the Best price.

Moreover, as with the Best price, it is possible that at least a small quantity is available from one or more Makers at a better price than that which is currently displayed as a regular Dealable price (or even that a better price becomes available after the price is displayed but before the Taker's Buy or Sell request is processed), in which case the trader may receive or pay an effective average price that is somewhat better than the currently displayed Dealable price. This will be the case whether the system has executed a single transaction only with a second Maker with whom the better price originated, or a composite transaction with that second Maker

and the Maker with whom the displayed price originated.

2 Instead of a regular Dealable price, a Small price may be displayed,
preferably identified as such (for example, by the letter "S") 28 and which
4 differs from the regular Dealable price in that only a relatively small quantity
is collectively available at any price from those Makers with whom the trader
6 currently is eligible to deal. For example, if deal size is expressed in units of
one million dollars, the Best price and the regular Dealable price may each
8 represent available deals having a potential aggregate value (not necessarily
all from the same trader) of at least 5 million dollars, while a Small price
10 represents available deals having a maximum potential value of between 1
and 4 million dollars.

12 Among the options available to each trader through his Trader Profile
panel (see Fig 4) is the ability to display either the regular Dealable price as
14 described above, which is good for at least the previously mentioned
predetermined minimum quantity (eg, at least 5 million dollars), or a best
16 Dealable price which is the best price available to that trader for even a
nominal minimum quantity (eg, only 1 million dollars).

18 Preferably, the trader has also previously specified a default
transaction quantity using his Trader Profile Screen and the displayed
20 Dealable price functions as the default value for the trader's requested
transaction price. Thus, the trader may quickly and accurately respond to
22 a new Dealable bid or offer price by merely activating a Buy button 34 or a
Sell button 36, respectively on the screen, assuming that the display is
24 touch sensitive or is provided with a "mouse" or other pointing device;
alternatively the Trader may use a small custom keypad having dedicated
26 function keys for the various functions and dedicated size keys for various
predetermined deal sizes as well as conventional numerical, tab and cursor
28 keys. If the desired quantity 30, 32 is not available at the displayed
Dealable price, as will be discussed in more detail with respect to FIGS 3
30 and 4, any missed quantity may be the subject of a subsequent "working
the balance" bid or offer.

32 In any event, the system gives the trader accepting a Dealable price

the benefit of any undisplayed Small price from an eligible counterparty that
2 is "behind" (ie, equal to or better than) the Dealable price. In that case, the
buy or sell request would be executed as two trades, one at the undisplayed
4 Small price, and the other at the displayed Dealable price.

As noted previously, the trading is performed electronically, and when
6 a bid price is equal to or greater than an offer price, the two will normally be
automatically matched, with the system automatically allocating any price
8 difference between the two trader's in accordance with previously agreed
trading rules. Thus it is not likely that a displayed bid price 18,24 will be
10 greater than a displayed offer price 20,26. However, if two traders are
barred from dealing with each other because of credit limit restrictions but
12 are both free to deal with a third trader, it is still possible that the third
trader will be presented with an arbitrage opportunity.

14 When the Dealable price 24,26 originates with the trader himself (or
another trader on the same Floor), the trader is preferably alerted to that fact
16 by displaying his price as the Dealable price, but in a visually distinctive
manner and with the corresponding Buy or Sell function 34, 36 optionally
18 inhibited. Thus, his Trading Floor may be prevented from in effect dealing
with or against itself.

20 In accordance with another aspect of the invention, the displayed
price data may optionally be "vocalized": whenever there is a change in the
22 displayed prices, the numerical data is electronically converted to text which
in turn is converted to digital speech using conventional speech synthesis
24 circuitry. In that event, it is preferable that only the "Pips" of the "Deable"
price quotes are announced (unless, due to a large spread, this would result
26 in an ambiguous price), so that the trader will not be assaulted with
nonessential information. Thus, the vocalized information will normally
28 include only the least significant digits (Pips) of the displayed Dealable bid
and offer prices, as well as status changes for any recent quotes or hits
30 initiated by the trader. An exemplary trading scenario and the resultant
vocalized communications is presented in Table 1.

32

[illegible]

Table 1

2
4
6
8
10
12
14
16
18
20
22
24
26
28
30
32

Trader Action	Broadcast	Maker only	Taker only
PYou cancel Quote		Bid/Offer/Price canceled	
Your Quote Joined by another trader		Bid/Offer/Price joined	
You Join a Quote from another trader		You join the Bid/Offer/Price	
Your Quote is no longer Joined		Your Bid/Offer/Price only	
Bid/Offer/Price you joined hit, but yours available		Still watching your Bid/Offer/Price	
Your Bid Is hit	10 Given (Small)	10 yours from Bank X	You Sell 10 to Bank Y
Your Offer Is Taken	17 Paid (Small)	You Sell 10 to Bank X	You Buy 10 from Bank Y
Your quote is partially dealt on	Working Your Balance of X		
Maker's Quote not Hit for a period of time		Still working your Bid/Offer/Price	Missed it
Taker's Attempt to hit a Bid or Offer failed (too slow)			Working your Balance of X
Taker's Buy/Sell missed			

Fig 3 shows how the display is transformed when the trader is not content to assume a passive role in which he merely reacts to deals solicited by other traders, but rather wishes to assume for himself the role of a Market Maker. In that case, a Maker's "Quote" panel 40 appears below the Taker's "Buy/Sell" panel 10 of Fig 2, so that the trader may act both as a Maker and as a Taker, using a pointing device or a designated key of an alphanumeric keyboard to move between the two panels. The Figures 42, 44 and Pips 46, 48 have the same function as in the Taker's panel, and take their respective initial values from the current Best price. As in Fig 2, the bid information is on the left, while the offer information is on the right. Immediately below the price information, the trader is presented with the relevant bid and offer quantities 48,50, conventionally expressed in millions of US dollars. When the Maker's panel first appears, these quantities assume default values (10,10) established by the trader's personal trading profile. The trader is able to change any "Pips" or "quantity" amount shown on the Maker's panel by means of a numerical keyboard, using the enter key to move from field to field. Alternately, changes in the numerical data could be entered by selecting the field with a mouse or other pointing device, with a single click indicating an upward increment of one Pip and a double click indicating a downward increment of one Pip. Once the trader has changed the displayed numerical information to his satisfaction, he may then send a double sided bid/offer quote message (QuoteSubmit, Fig 5) either by activating Send button 52 with a mouse or a conventional tab key and enter key, or by using a dedicated Send key on the trader's keyboard (not shown). Optionally, the trader may also send a single-side bid or offer, using the Bid button 54 or Offer button 56 instead of the Send button 52. Once the quote has been transmitted, an optional timer (not shown) may provide a visible and/or audible indication that a predetermined exposure time has elapsed. In addition, the trader may specify in his Trader Profile panel (Fig 4) an optional automatic quote interrupt, whereby the quote is withdrawn once a predetermined maximum exposure time has been reached. At any time, the trader may use the Off button 60 to withdraw his current

quote, whereupon he may compose and send a new quote.

2 Preferably, as will be discussed in additional detail with respect to
Fig 7, at the same time the system uses the quote and any associated credit
4 prescreening information to determine the dealable prices to be displayed at
each potential counterparty, the system also determines whether the current
6 quote is equal to the Dealable price (either Best Dealable or Regular Dealable)
available to any potential counterparty with whom bilateral credit currently
8 exists, and if so, alerts the quoter that the displayed price has priority in
time over any other available quote for that deal size (regular or small) from
10 other trading floors and is subject to immediately being hit/taken (a "Red
Dealable" quote, preferably indicated by red background) or is equal to such
12 a Red Dealable (regular or small) quote from another trading floor (a "Joined"
quote, preferably indicated by a = sign and a yellow background).

14 As shown in Fig 4, each trader can call up a "Trader Profile" screen
70 to select his current trading currency 72, and also to establish or modify
16 his personal default values for normal and maximum trading size 74, 76 and
price time limit 78, and his preferences regarding optional automated trading
18 protocols 78, such as canceling a quoted price that has been partially dealt
(only a portion of the available size was matched with a qualified
20 counterparty) or bettered (is not equal to the Best Dealable price for that size
that is currently available to any potential counterparty with whom bilateral
22 credit still exists). As noted previously, the Trader may also elect to display
the Regular 80 or Best 82 Dealable price, and the system also provides the
24 trader with various options 82 for automatically "working the balance" in the
event the trader attempts to buy or sell a particular quantity at the displayed
26 Dealable price but misses the deal in whole ("complete") or in part
("partial"). Depending upon the particular option selected, the system
28 automatically generates and transmits a bid at the last Dealable offer price
if the trader was not able to buy the full quantity desired, for a quantity
30 equal to the difference between the desired quantity and the quantity
actually traded.

32 In addition, a Floor Administrator (preferably for internal security

reasons a bank employee free of any trading responsibilities) has his own
2 WS with a Floor-Profile screen (not shown) which includes an option to
prevent his own traders from trading with each other, and a maximum
4 Business Day Credit Limit for each eligible counterparty which represents the
maximum cumulative value of trades that may be executed by all traders of
6 the Trading Floor with the designated counterparty. Alternately, the system
could combine transactions from related Trading Floors, in which case the
8 Floor Profile could merely identify a common credit facility having a single
credit limit for each Trading Floor or groups of Trading Floors. The Floor
10 Administrator also selects a warning percentage which the system uses to
broadcast a warning message to the Administrator and all the traders on a
12 given Floor that a particular counterparty has utilized a specified percentage
of its available credit, in which case the traders may wish to alter their
14 trading strategies and/or the Floor Administrator may choose to raise the
applicable credit limit.

16 Fig 5 shows the flow of electronic messages relating to the
distribution of customized Dealeable price information to each Trading Floor.
18 The trader at WS A1a1 of Trading Floor A1a uses his Price Quotation
(Market Maker) Panel (Fig 3) to generate a QuoteSubmit message to the
20 Trading Floor's MAN (MAN A1a) in the form of a bid to buy at 1.7215 and
an offer to sell at 1.7216. The MAN in turn logs the QuoteSubmit as two
22 open quotations (one, if a single-sided quote) and forwards the QuoteSubmit
message to the Maker's Arbitrator Node (ARB A) whose assigned
24 geographical Trading Region includes the Maker's Trading Floor A1a1. In
turn, ARB A updates an ordered list of available bids and an ordered list of
26 available offers for the relevant currency pair, each ranked by price and time
of receipt (preferably at the Maker's ARB), and containing data fields for
28 indicating the Quantity (preferably expressed in Base Currency units) of the
Local Currency still available for purchase or sale, and the Quantity reserved
30 by the Arbitrator pending completion or failure of a pending deal resulting
from a potential match initiated by the arbitrator and not yet confirmed by
32 the Maker and Taker. A corresponding QuoteAvailable message is then

transmitted from the Maker's ARB A to the MD's in its Trading Region MD A1, MD A2, and to the other ARB's for eventual distribution to the MD's and MAN's of the Trading Regions.

Each MAN (for example, MAN A1b) also transmits a CreditUpdate message to its associated ARB (ARB A) whenever the credit status for any of its potential counterparties (for example, A1a or A2a) changes from CreditAvailable to CreditNotAvailable or vice versa, which the ARB then retransmits to its affected MD's and to the other affected ARB's.

The MD's then use the information in the received CreditUpdate messages to maintain a Preauthorization Matrix PM such as that shown in Fig 6. The rows and columns of the matrix PM are associated with the various Trading Floors A1a, A1b, A2a, etc (including any Floors in other Trading Regions) and for each ordered pair of Trading Floors $\{TF_i, TF_j\}$ contains an indication as to whether TF_i has extended any credit to TF_j . In the depicted example, credit exists on a bilateral basis between TFA1 and TFA2, no credit exists between TFA1 and TFB1, and credit has been extended unilaterally from TFA2 to TFB1, but not vice versa (as indicated by the "1" at the intersection of row TFB1 with column TFA2 and the "0" at the corresponding intersection of column TFB1 with row TFA2). From the main diagonal of the matrix it can be seen that only TFA2 permits its own traders to trade between themselves, as indicated by the "1" at the intersection of row TFA2 with column TFA2. Preferably, each MD only maintains a partial Preauthorization Matrix containing data only regarding credit extended from or to its associated MAN's to the other potential counterparties (MAN's) in the system. Thus, as indicated in Fig 6 by cross hatching, some of the matrix entries may be blank.

The MD's use the QuoteAvailable messages to update their own ordered lists of available bids and offers; these ordered lists and the above-described Preauthorization Matrix are then used by the MD to calculate separate Dealt prices for each Trading Floor which are transmitted as MarketView messages to the affected MAN's, as will be described in more detail hereinafter with reference to Fig 7. In addition, the

MD's and/or ARB's use a similar procedure to identify which quotes from which trading floors are "Red Dealable" or "Joined" or "Bettered": A quote is "Red Dealable" only if it is the basis (best in price and time of the bids or offers originating from trading floors with which bilateral credit is still available) for a "Dealable" price displayed at one or more trading floors; once the "Red Dealable" quotes have been identified, the other quotes may be readily categorized as either "Joined" (if not first in time) or "Bettered" (if not best in price).

The actual deal is executed using a known two-stage commitment logging process (not shown) in which DealVerify and DealVerifyOk messages are logged by and transmitted from the Maker's MAN to the Taker's MAN and vice versa, after each MAN has verified that the other party to the deal has been extended sufficient credit by the Man's associated Trading Floor to cover the full deal quantity (otherwise the deal is aborted or is cut back in quantity). As an additional precaution, the Maker's MAN also checks that the quote has not been interrupted and that the WS from which the quote originated is still on-line, before any DealVerify or DealVerifyOk message is transmitted to the other Trading Floor (equivalently, each WS involved could perform its own logging and communicate directly with the other WS; however, this would complicate any subsequent automated deal recovery or rollback). A suitable logging, verification, and recovery/rollback process is disclosed in further detail in the commonly assigned US patent application filed on 2 November 1990 under serial number 07/608,643 and entitled "Financial EXCHANGE SYSTEM HAVING AUTOMATED RECOVERY/ROLLBACK OF UNACKNOWLEDGED ORDERS". In any event, it should be understood that each ARB also maintains a log of potential matches which have not yet been verified or canceled by the affected MAN's, and that if these potential matches are not resolved within a predetermined time period, a similar automated rollback/recovery process can update the ARB's log on the basis of the logs maintained by the affected MAN's (for example, the match may be automatically canceled (rolled back) if either MAN does not have a

corresponding entry in its respective log).

2 Fig 7 sets forth a possible implementation of how the MD computes
a Dealeable bid for a particular currency currently available to a particular
4 Trading Floor, which may then be transmitted in the form of a MarketView
message to that Trading Floor. Preferably, in order to avoid the transmission
6 of redundant information and consequent excessive loading of the
communication network, these MarketView messages are transmitted to a
8 particular MAN only in response to a change in the Dealeable price for the
associated Trading Floor. Moreover, it may be more efficient to transmit
10 information only for those active currency pairs which the Trading Floor's
MAN has previously identified to its MD in an ActiveCurrencyPair message.

12 As indicated symbolically in Fig 7 at block 100, the MD first selects
the particular Trading Floor and Currency Pair for which the Dealeable bid and
14 offer price is to be computed (Fig 7 shows only the computation of the
Dealeable bid price; a similar computation is then performed for the Dealeable
16 offer price before a new Trading Floor and/or Currency is selected). The MD
then resets (block 102) the counters, registers and flags (i, P, Q, S) it will
18 use in the computation of the Dealeable price P.

What follows is a loop controlled by counter i, which points to the
20 entries in the particular ordered Quote List associated with the Currency Pair
and transaction type (bid or offer) then being processed, and which is
22 incremented at the beginning of the loop (block 104). If the end of the
Quote List has already been reached (Yes branch from decision block 106),
24 the current values of the price P and the associated Small flag S are
transmitted to the Trading Floor TF, together with an indication of the
26 current Currency Pair CP (as previously noted, no such transmission is
required if the price and Small flag for that Currency Pair to that Trading
28 Floor are unchanged). However, if the end of the Quote List has not already
been reached (No branch from decision block 106) the next quote is then
30 read (block 110) and the relevant entries in the Preauthorization Matrix for
the current Trading Floor (TF) and the Maker of the current quote (Mi) are
32 then checked to determine if any previously extended credit has already

2 been exhausted (decision blocks 112, 114). If either entry is "0" (indicating
no credit available) control passes to the beginning of the loop (block 104),
for processing of any remaining quotes in the applicable list.

4 However, if both relevant entries of the Preauthorization Matrix are
"1" (indicating at least some credit is available on a bilateral basis between
6 the current Trading Floor TF and the Maker M_i from which the current quote
 Q_i originated), the price P_i associated with quote Q_i is loaded into the price
8 register P, and the associated Available Quantity Q_i is added to the contents
of the Quantity register Q (block 116), which is then tested (decision block
10 118) to determine if at least a predetermined minimum quantity (eg, 5) is
available to the current Trading Floor TF; otherwise control passes to the
12 beginning of the loop (lock 102) and the process is repeated.

 Assuming that the predetermined minimum quantity is available (Yes
14 branch from block 118), the Small flag is reset to 0, and control passes to
block 108, whereby the Dealable price is transmitted and the process is
16 repeated.

 It will be understood that the above assumes that a regular dealable
18 price may be based on a potential composite deal which is based only on
quotes for a small size of the currency in question and that a small dealable
20 price is to be displayed only if such a regular dealable price is not available
from any qualified counterparty or combination of qualified counterparties;
22 if as mentioned previously it is desired to display only regular dealable prices
from a single source and/or to give each trader the option of displaying
24 either the Best Dealable price or the Regular Dealable price, then it may be
necessary to scan the available quotes twice (once for the best available
26 regular sized quote, once for the best available quote regardless of size)
and/or to maintain separate registers for Best and Regular sized prices.

28 By using more than one MD each in the form of a dedicated
computer, the computation of Dealable prices is distributed among several
30 computers and is free from interruption by other unrelated tasks. Moreover,
only a minimum amount of essential information is transmitted to the MD
32 from its ARB, and from the MD to its MAN's. Thus even in a fast moving

2 market, it should be possible to provide current Dealeable price information
to each Trading Floor. However, if an MD is responsible for distributing
4 Dealeable prices to more than two Trading Floors, it may be preferable to use
a conventional pseudorandom generator to select the next Trading Floor,
thus avoiding any bias inherent in the sequence in which the Dealeable price
6 information is computed and distributed.

As mentioned previously, the MD could, at the same time it reviews
8 the ordered list of available quotes, also identify any quote which qualifies
as " Red Dealeable" or "Joined" and transmit a corresponding HitAlert
10 message to the Maker's MAN (possibly via the Taker's ARB and the Maker's
ARB). Alternatively, each ARB could repeat the process of Fig 7 for each
12 trading floor in the entire trading system, which would require more
computational resources but fewer communication resources. In particular,
14 such an alternate embodiment, as shown in Fig 5, would require at most
only one HitAlert message for each bid or offer (to the Maker's MAN from
16 the Maker's own ARB).

18

20

22

24

26

28

30

32

WE CLAIM:

1. A trading system for trading of financial instruments between traders trading at a plurality of trading floors, said system comprising a communication network (Fig 1) for transmitting electronic messages, a plurality of trader terminals (WS) each associated with a respective one of said trading floors and connected to the communication network, for generating electronic price quotation messages (QuoteSubmit, Fig 3) including bid and/or offer prices (Fig 3, 46,48), and communicating selected bid and offer price information (Fig 2, 24,26)) based on price quotation messages (MarketView, Fig 2) originating from other said trading floors and received over the communication network, credit limit administration means (MAN, ARB) connected to the communication network, for determining whether a predetermined level of credit is currently available (CreditUpdate) from each trading floor to each of the other trading floors, and dealable price distribution means (MD) connected to said communication network and responsive to said price quotation messages (CreditUpdate) as well as to said credit limit administration means (MAN, ARB) for transmitting dealable price messages (MarketView) to the terminals (WS A1b1, WS A1b2) of at least one particular trading floor (MAN A1b), said dealable price messages (MarketView) being derived only from price quotation messages (QuoteSubmit) from those trading floors (MAN A1a) for which said credit administration means (ARB A, MAN A1a, MAN A1b) indicates said predetermined level of credit is currently available on a bilateral basis both from and to said particular trading floor.
2. The trading system of claim 1, wherein said selected price information (QuoteSubmit) communicated by the terminal at said particular trading floor comprises said dealable price information (MarketView).

3. The trading system of claim 2, wherein said dealable price information
2 (24,26) comprises the best price for a predetermined quantity (\$5m)
available from any of said trading floors (MAN) with which bilateral credit
4 currently exists.

4. The trading system of claim 3, wherein said dealable price information
2 (24,26) is the best price for said predetermined quantity (\$5m) available
from a single one of said trading floors (MAN) with which bilateral credit
4 currently exists.

5. The trading system of claim 3, wherein said dealable price information
2 (24,26) is determined from the best prices for said predetermined quantity
(\$5m) available on a composite basis from more than one of said trading
4 floors (MAN) with which bilateral credit currently exists.

6. The trading system of claim 3, wherein said dealable price information
2 further comprises the best price (24,26) for any quantity (28) available from
at least one of said trading floors with which bilateral credit currently exists.

7. The trading system of claim 6, wherein
2 trades are possible for a small quantity (28) less than said predetermined
quantity, and
4 said dealable price display means (Fig 2) displays a price (24,26) applicable
only to a small, but otherwise dealable, quantity when said
6 predetermined quantity is not available to the associated trading floor.

8. The trading system of claim 1, wherein said dealable price information
2 is communicated in the form of a visible display (Fig 2).

9. The trading system of claim 1, wherein said dealable price information
2 is communicated to at least one of the traders in the form of vocalized text
(Table 1).

10. The trading system of claim 1, further comprising
2 a plurality of access nodes (MAN) connected to the communication
network, including a first access node (MAN A) associated only with
4 a first trading floor and a second access node (MAN B) associated
only with a second trading floor, for maintaining a record of all trades
6 executed on behalf of an associated trading floor, and
one or more distribution nodes (MD) connected to the communication
8 network,
wherein
10 said access nodes (MAN) collectively comprise said credit authorization
means,
12 said distribution nodes (MD) collectively comprise said dealable price
distribution means,
14 said access nodes transmit over the communication network to said
distributor nodes credit update messages (CreditUpdate) which
16 indicate whether said predetermined level of credit is currently
available from one trading floor to another trading floor without
18 indicating the extent of any credit currently remaining above said
predetermined level,
20 said dealable price distribution means maintains at each of said distribution
nodes an ordered list (110) of at least those of said price quotation
22 messages (QuoteSubmit) which are not yet withdrawn or reserved
and a preauthorization matrix (PM, Fig 6) whose individual entries
24 collectively indicate whether or not said predetermined level of credit
is available on a reciprocal basis between each of its respective
26 trading floors and each of said plurality of trading floors,
said dealable price information (108) is transmitted from each said
28 distribution node to one or more of said access nodes for eventual
transmission to associated ones of said terminals (WS),
30 each said access node (MAN) is located on the premises of a respective
trading floor (TF) and contains only credit information originating with
32 said respective trading floor,

34 said credit limit administration means transmits an electronic credit update
message (CreditUpdate) to said distribution nodes (MD) whenever a
predetermined minimum level of credit becomes available or is no
36 longer available to a particular said trading floor, and
said credit update message does not specify the amount of credit available.

11. The trading system of claim 10, wherein those quotes which are for
2 a price equal to a particular said dealable price and which originate from a
trading floor which has bilateral credit available with the trading floor
4 associated with said particular dealable price are identified as "deable
quotes".

12. The trading system of claim 11, wherein the record of executed
2 trades maintained by each access node is used to automatically recover or
rollback pending transactions which have been identified by another node
4 as potential trades but which have not yet been fully executed or canceled.

13. The trading system of claim 12, wherein each quote that is identified
2 as a dealable quote but that is not the first dealable quote at at least one
trading floor is identified as a "joined" quote.

14. The trading system of claim 10, wherein
2 said price quotation message (QuoteSubmit) includes designation of the
trading floor (TF) from which the quotation originates,
4 said trading floor designation (TF) is used by said each distribution node
(MD) in deriving said dealable price messages (MarketView), and
6 said dealable price message does not include any designation of the trader
or trading floor from which the quotation originates, when received
8 by any said market access node (MAN) or trader terminal (WS).

15. The trading system of claim 10, wherein said current credit limit is
2 derived from a predetermined maximum trade volume and the actual

4 cumulative trade volume between said associated trading floor and one other trading floor dealing in a plurality of types of financial instruments.

2 16. The trading system of claim 15, wherein said current credit limit is a combined limit applicable to a plurality of related trading floors.

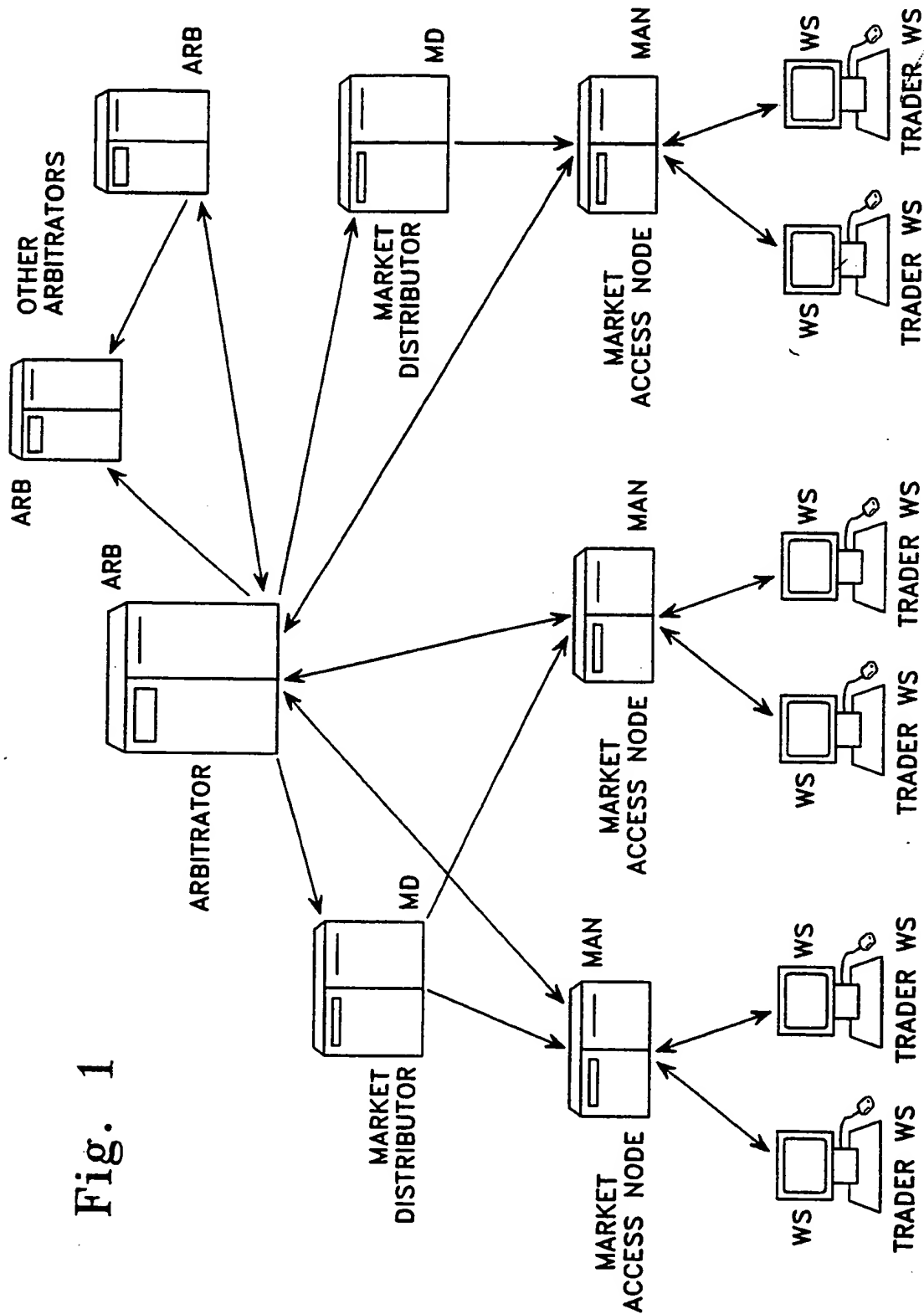


Fig. 1

Fig. 2

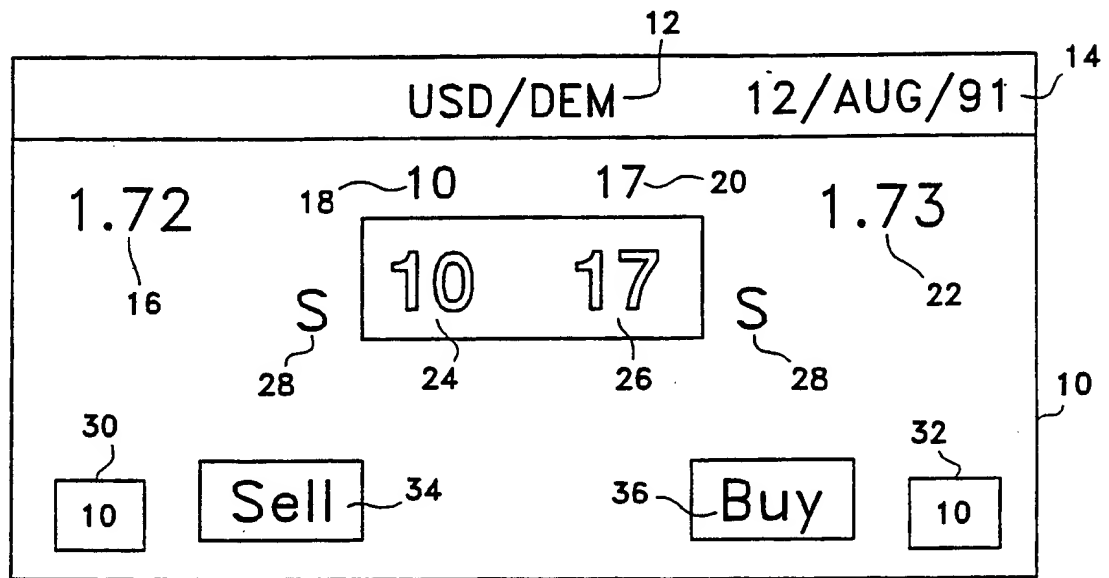


Fig. 3

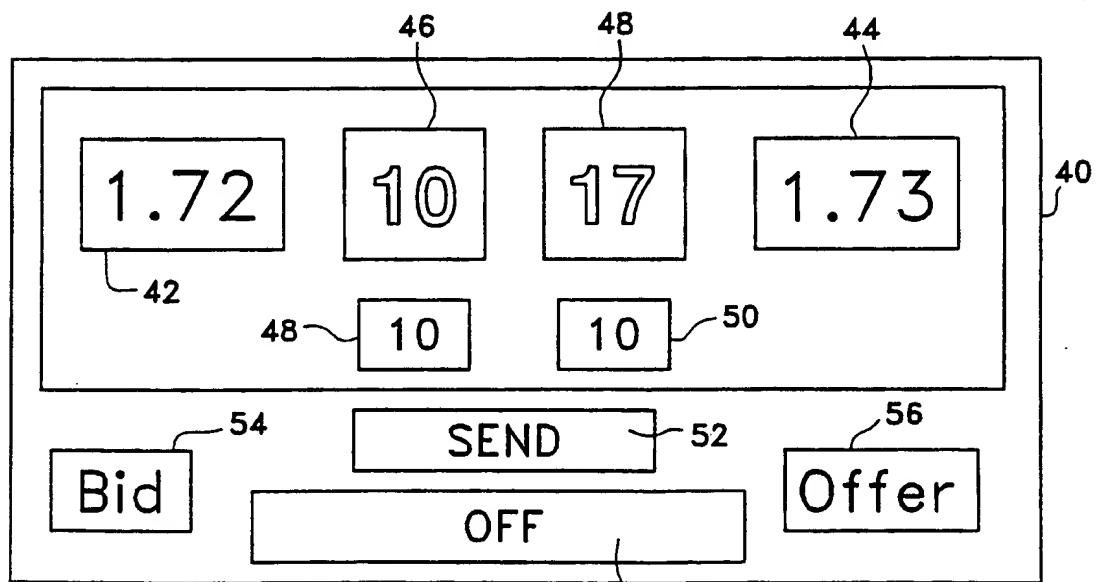


Fig. 4

70

Dealable Price Display (select one)	80	Regular Priority	Best Dealable
Currency Trading Pair		xxx/xxx	82
Normal Trade Size		nnn	74
Maximum Trade Size		nnn	76
Price Time Limit		min.	78
Work the Balance based on (select one)	82	sec.	NTL y/n
Cancel When Bettered		Complete + Partial	Partial
Display EBS Best		y/n	78
Display EBS Deals		y/n	
Display EBS Currencies		y/n	
EBS Currencies		xxx/xxx	xxx/xxx
		xxx/xxx	xxx/xxx
		xxx/xxx	xxx/xxx

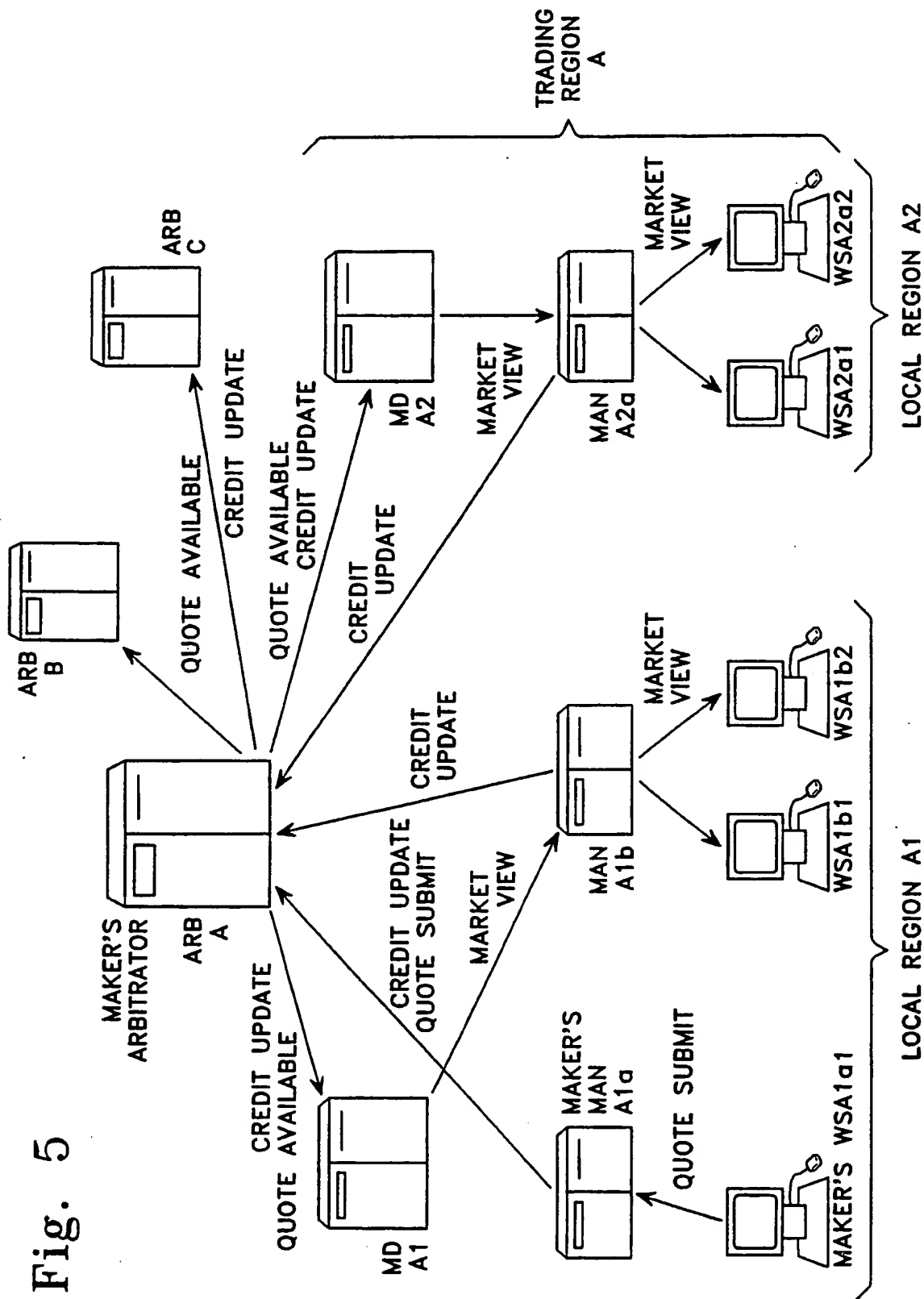


Fig. 5

TO

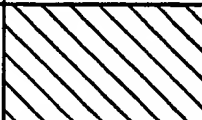
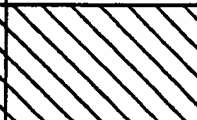


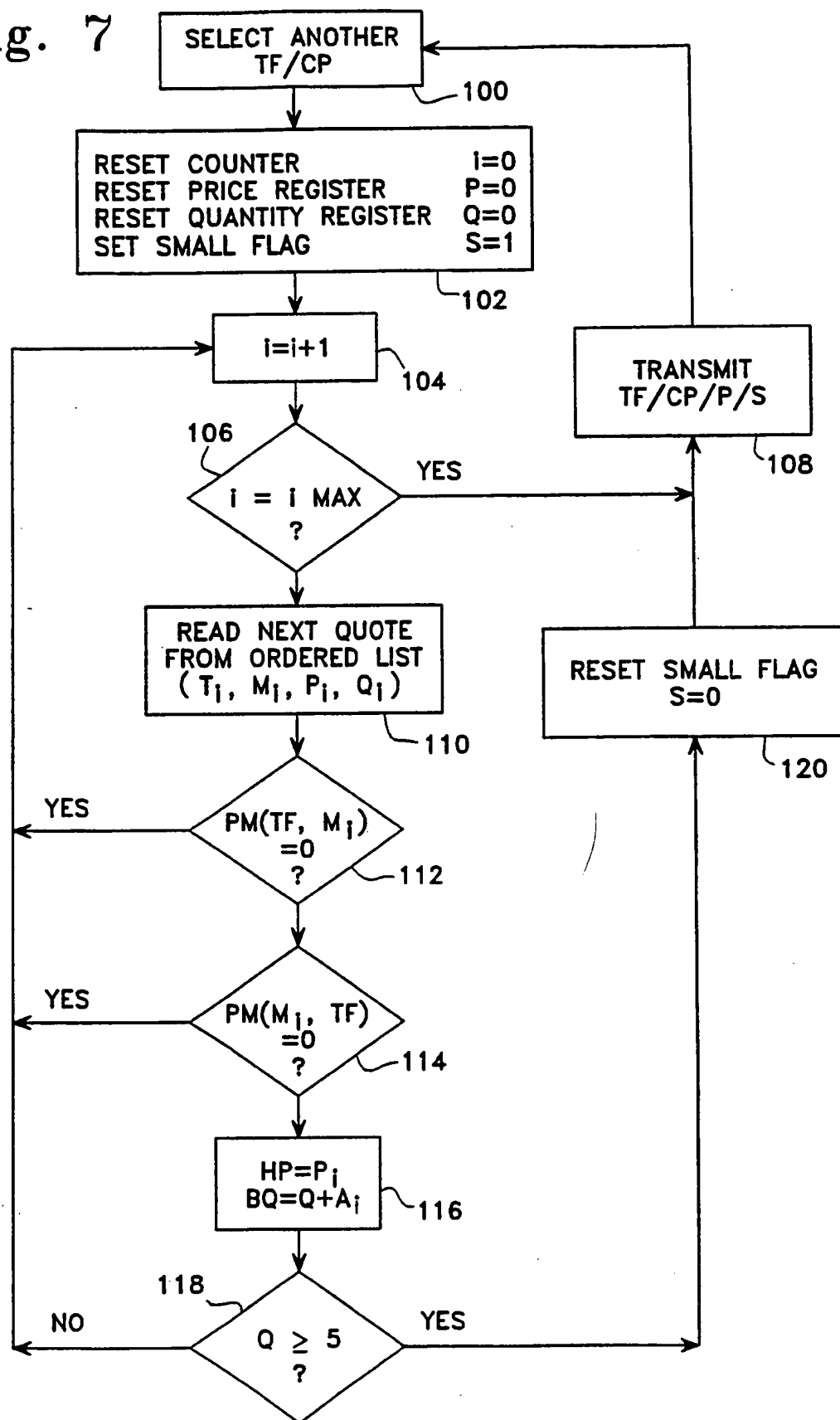
F R O M	FLOOR	TFA1	TFA2	TFB1	TFB2
	TFA1	0	1	0	1
	TFA2	1	1	0	1
	TFB1	0	1		
	TFB2	1	0		

Fig. 6

Fig. 7



INTERNATIONAL SEARCH REPORT

International Application No

PCT/US 93/00916

I. CLASSIFICATION OF SUBJECT MATTER (If several classification symbols apply, indicate all) ⁶		
According to International Patent Classification (IPC) or to both National Classification and IPC		
Int.Cl. 5 G06F15/24		
II. FIELDS SEARCHED		
Minimum Documentation Searched ⁷		
Classification System	Classification Symbols	
Int.Cl. 5	G06F	
Documentation Searched other than Minimum Documentation to the Extent that such Documents are Included in the Fields Searched ⁸		
III. DOCUMENTS CONSIDERED TO BE RELEVANT⁹		
Category ¹⁰	Citation of Document, ¹¹ with indication, where appropriate, of the relevant passages ¹²	Relevant to Claim No. ¹³
P,X	EP,A,0 512 702 (REUTERS LIMITED) 11 November 1992 see page 2, line 1 - page 3, line 32; figure 1 see page 7, line 19 - page 9, line 14 ---	1,2,8, 10,11,14
A	ELECTRONIC BANKING & FINANCE July 1990, NL pages 3 - 4 'Quotron Introduces New Foreign Exchanges Dealing System' see the whole document ---	1-6,8,10
A	COMPUTERS IN THE CITY '89. 14-16 NOVEMBER 1989, LONDON, UK. pages 53 - 61 F.J. PERKINS 'NORDEX: automated trading for Nordic equities' see the whole document ---	1,8,10
-/--		
¹⁰ Special categories of cited documents : ^{"A"} document defining the general state of the art which is not considered to be of particular relevance ^{"E"} earlier document but published on or after the international filing date ^{"L"} document which may throw doubts on priority claim(s) or which is cited to establish the publication date of another citation or other special reason (as specified) ^{"O"} document referring to an oral disclosure, use, exhibition or other means ^{"P"} document published prior to the international filing date but later than the priority date claimed ^{"T"} later document published after the international filing date or priority date and not in conflict with the application but cited to understand the principle or theory underlying the invention ^{"X"} document of particular relevance; the claimed invention cannot be considered novel or cannot be considered to involve an inventive step ^{"Y"} document of particular relevance; the claimed invention cannot be considered to involve an inventive step when the document is combined with one or more other such documents, such combination being obvious to a person skilled in the art. ^{"A"} document member of the same patent family		
IV. CERTIFICATION		
Date of the Actual Completion of the International Search 20 APRIL 1993		Date of Mailing of this International Search Report 29. 04. 93
International Searching Authority EUR PEAN PATENT OFFICE		Signature of Authorized Officer BURNE S.R.

III. DOCUMENTS CONSIDERED TO BE RELEVANT (CONTINUED FROM THE SECOND SHEET)		
Category °	Citation of Document, with indication, where appropriate, of the relevant passages	Relevant to Claims No.
A	EP,A,0 399 850 (REUTERS LIMITED) 28 November 1990 cited in the application see column 1, line 1 - column 6, line 27 ---	1,8,10
A	US,A,4 942 616 (LINSTROTH ET AL) 17 July 1990 see abstract -----	1,9

**ANNEX TO THE INTERNATIONAL SEARCH REPORT
ON INTERNATIONAL PATENT APPLICATION NO.**

US 9300916
SA 70081

This annex lists the patent family members relating to the patent documents cited in the above-mentioned international search report.
The members are as contained in the European Patent Office EDP file on
The European Patent Office is in no way liable for these particulars which are merely given for the purpose of information.

20/04/93

Patent document cited in search report	Publication date	Patent family member(s)	Publication date
EP-A-0512702	11-11-92	None	
EP-A-0399850	28-11-90	US-A- 5136501	04-08-92
US-A-4942616	17-07-90	None	

EPO FORM P0479

For more details about this annex : see Official Journal of the European Patent Office, No. 12/82